



Billing Code 6325-39-P

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 532

RIN 3206-AN29

**Prevailing Rate Systems; Redefinition of the New York, NY, and Philadelphia, PA,
Appropriated Fund Federal Wage System Wage Areas**

AGENCY: U.S. Office of Personnel Management.

ACTION: Final rule.

SUMMARY: The U.S. Office of Personnel Management (OPM) is issuing a final rule to redefine the geographic boundaries of the New York, NY, and Philadelphia, PA, appropriated fund Federal Wage System (FWS) wage areas. The final rule will address an anomalous situation affecting Joint Base McGuire-Dix-Lakehurst. Portions of the Joint Base are currently defined to the Philadelphia wage area and to the New York wage area. OPM has developed a new criterion for defining wage areas to address this unique situation so that the entire Joint Base is covered by a single wage schedule.

DATES: *Effective date:* This regulation is effective on [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Applicability date: This change applies on the first day of the first applicable pay period beginning on or after [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Madeline Gonzalez, by telephone at (202) 606-2838 or by email at pay-leave-policy@opm.gov.

SUPPLEMENTARY INFORMATION: On July 20, 2016, OPM issued a proposed rule (81 FR 47049) to redefine the Joint Base McGuire-Dix-Lakehurst portions of Burlington County, NJ, and Ocean County, NJ, that are currently defined to the Philadelphia, PA, wage area to the New York, NY, wage area so that the entire Joint Base is covered by a single FWS wage schedule. This change is based on a majority recommendation of the Federal Prevailing Rate Advisory Committee (FPRAC), the national labor-management committee responsible for advising OPM on the administration of the FWS.

The 30-day comment period ended on August 19, 2016. OPM received comments from several hundred Federal employees, several Members of Congress, and one agency. Public comments supported defining the Joint Base McGuire-Dix-Lakehurst portions of Burlington County and Ocean County currently defined to the Philadelphia wage area to the New York wage area.

Employees stationed at Tobyhanna Army Depot in northeastern Pennsylvania asked that OPM also consider redefining Monroe County, PA, from the Scranton-Wilkes-Barre, PA, wage area to the New York wage area. FPRAC made a separate recommendation by majority vote in January 2016 that OPM redefine Monroe County to the New York wage area. FPRAC's recommendation, and the public comments regarding Tobyhanna Army Depot, is beyond the scope of this rule. The intent of this rule is to address an anomalous situation created when a contiguous Joint Base overlaps two metropolitan areas and two FWS wage areas. The proposed rule's new criterion for defining FWS wage area boundaries has limited applicability and was not intended to address any other situation.

An agency suggested that instead of defining a single contiguous Joint Base that overlaps

two wage areas to the wage area with the most favorable payline, OPM should in the future consider basing the wage area definition for a Joint Base on the part of the Joint Base with the largest FWS employment count. The agency expressed concerns that Joint Bases were established in part to save costs and the proposed new criterion would result in higher wage costs. Although OPM considered this option when developing the proposed rule, it was not adopted because the new proposed criterion follows a protocol already established in similar FWS special wage schedule regulations as an equitable method for compensating employees stationed at a small contiguous installation.

In addition, several commenters questioned the effective date of the proposed change recommending retroactive applicability. OPM defines wage areas through regulations in 5 CFR part 532. Changes in OPM's regulations are prospective, not retroactive, following an appropriate period for public comment. This change will apply on the first day of the first applicable pay period beginning on or after 30 days following publication of the final regulations.

Regulatory Flexibility Act

I certify that these regulations will not have a significant economic impact on a substantial number of small entities because they will affect only Federal agencies and employees.

Executive Order 13563 and Executive Order 12866

This final rule has been reviewed by the Office of Management and Budget in accordance with Executive Order 13563 and Executive Order 12866.

List of Subjects in 5 CFR Part 532

Administrative practice and procedure, Freedom of information, Government employees,

Reporting and recordkeeping requirements, Wages.

U.S. Office of Personnel Management.

Beth F. Cobert,
Acting Director.

Accordingly, OPM amends 5 CFR part 532 as follows:

PART 532—PREVAILING RATE SYSTEMS

1. The authority citation for part 532 continues to read as follows:

Authority: 5 U.S.C. 5343, 5346; § 532.707 also issued under 5 U.S.C. 552.

Subpart B—Prevailing Rate Determinations

2. Section 532.211 is amended by adding a new paragraph (f) to read as follows:

§532.211 Criteria for establishing appropriated fund wage areas.

* * * * *

(f) A single contiguous military installation defined as a Joint Base that would otherwise overlap two separate wage areas shall be included in only a single wage area. The wage area of such a Joint Base shall be defined to be the wage area with the most favorable payline based on an analysis of the simple average of the 15 nonsupervisory second step rates on each one of the regular wage schedules applicable in the otherwise overlapped wage areas.

3. Appendix C to subpart B is amended by revising the wage area listing for the New

York, NY, and Philadelphia, PA, wage areas to read as follows:

Appendix C to Subpart B of Part 532—Appropriated Fund Wage and Survey Areas

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NEW YORK

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New York

Survey Area

New Jersey:

- Bergen
- Essex
- Hudson
- Middlesex
- Morris
- Passaic
- Somerset
- Union

New York:

- Bronx
- Kings
- Nassau
- New York
- Orange
- Queens
- Suffolk
- Westchester

Area of Application. Survey area plus:

New Jersey:

- Burlington (Joint Base McGuire-Dix-Lakehurst portion only)
- Hunterdon
- Monmouth
- Ocean
- Sussex

New York:

- Dutchess
- Putnam
- Richmond

Rockland
Pennsylvania:
Pike

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PENNSYLVANIA

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Philadelphia

Survey Area

New Jersey:
Burlington (Excluding the Joint Base McGuire-Dix-Lakehurst portion)
Camden
Gloucester
Pennsylvania:
Bucks
Chester
Delaware
Montgomery
Philadelphia

Area of Application. Survey area plus:

New Jersey:
Atlantic
Cape May
Cumberland
Mercer
Warren
Pennsylvania:
Carbon
Lehigh
Northampton

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